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SUBJECT: Argentina: President Celebrates Energy Investment in
Salta Province during Ambassador's Visit

Ref: (A) Buenos Aires 1058
(B) Buenos Aires 1053

Summary

¶1. (SBU) Ambassador attended the inauguration of a GE-manufactured electricity-generating turbine, where President Fernandez de Kirchner gave the keynote address, during a July 28-29 trip to the distant northwestern province of Salta. The President's message emphasized the positive impact of the GoA's "Energy Plus" policy, designed to increase domestic energy production by promoting new investment in the sector. Ambassador also met with provincial governor Juan Manuel Urtubey (Ref A), as well as representatives of the local baseball league. He visited Wal-Mart's new local store, attended a food distribution at a local preschool Wal-Mart sponsors, and toured the headquarters of an anti-narcotics task force supported by the DEA. The visit received extensive and positive local press coverage. End Summary.

President Credits New Turbine to "Energy Plus"

¶2. (SBU) Ambassador traveled to the northwestern province of Salta July 28-29, principally to attend the inauguration of a newly-installed, GE-manufactured turbine at a thermoelectric power generation plant near the capital city. The \$35 million turbine is expected to generate 102 MW, increasing production at the plant by 40%. President Cristina Fernandez de Kirchner (CFK) gave the keynote address, and Planning Minister Julio De Vido and Interior Minister Florencio Randazzo attended, as did Governor Urtubey and Walter Barrionuevo, Governor of neighboring Jujuy.

¶3. (U) CFK called the new turbine "the spearhead for growth and development" in the region, stressing that "this is not an isolated accomplishment, but one that takes place in the framework of state policy" designed to encourage such investment, a reference to the GoA's "Energy Plus" policy, which allows incremental new generating capacity to charge private industrial users higher rates that closer to international market norms. According to a press release from Argentine-owned Pampa Energy, the company which installed the turbine, this was the first private-sector investment in Argentina under "Energy Plus." CFK also noted the fact that the power plant was 30% owned by the GoA and 10% owned by plant employees, arguing that growth is "not just for investors, but also for workers."

¶4. (SBU) The speech was very upbeat - CFK even joked about whether a gift of silver candelabra from Pampa Energy was a subtle reference to "energy problems" in Argentina. Several business and finance figures present, who have been very critical of CFK in past conversations with Emboffs, made positive comments about the speech - both its content and its style - to the Ambassador.

15. (U) Ambassador also met with several representatives of Salta's thriving baseball league, which has several levels from children up to adults. The baseball reps emphasized that, unlike other in Latin America countries where baseball was introduced by expat Americans, the league in Salta was homegrown, founded by locals inspired by Babe Ruth. They cited difficulties in maintaining good sports facilities, with three fields currently under threat of removal for public works or because of a private sale. Obtaining quality equipment is also a challenge: they cited a shipment of equipment that was blocked by Argentine customs authorities for unknown reasons, and noted that the local Wal-Mart store didn't carry baseball equipment. Ambassador offered to help try to solve problems with Customs if the issue arose again, and promised to take their request to Wal-Mart or other U.S. importers. The officials invited Ambassador, and other Embassy employees, to return to Salta in November for a planned Pan-American baseball tournament, and requested assistance in finding baseball coaches who would offer clinics in Salta.

16. (U) Wal-Mart has been operating in Salta since March of this year, under the local name of "Chango Mas" (roughly, "more in your shopping cart"). The store is about 20% smaller than the Wal-Marts found elsewhere in Argentina, and employs 161 staff. Ambassador suggested that Wal-Mart stock baseball equipment, and local management welcomed the idea. After a brief store tour, many of the employees, carrying boxes of food and supplies, accompanied Ambassador to a preschool supported by the company. This school cares for over 200 children up to 5 years old, and though a public institution supported by the Salta government, its operation is largely dependent on the aid it receives from Wal-Mart.

17. (SBU) Ambassador also paid a brief visit to the Northern Border Task Force, a combined national Gendarmeria and Salta Police unit which receives substantial support from the DEA Country Office. Ambassador complimented the unit on their recent activities, including the 360 kilos of cocaine seized and the 38 smuggling-related arrests made in 2008. The visit was the day after the Gendarmeria's 70th anniversary celebration, and the task force had several representatives at a well-attended commemorative public display in the Salta government's downtown cultural center.

18. (U) The Ambassador delivered a strong message of public-private cooperation during his visit. Three television channels and two radio stations covering most of the local audience aired interviews with him, and the province's two main newspapers ran stories featuring his visit the next day. The national press, meanwhile, also mentioned that he attended the turbine inauguration ceremony presided over by the President and that he praised the work of General Electric and its cooperation with local partners.

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